

United States Senate

WASHINGTON, DC 20510

June 8, 2004

The Honorable Kenneth M. Donohue, Sr., Inspector General
US Department of Housing and Urban Development
451 7th Street S.W., Suite 8256
Washington, DC 20410

Dear Mr. Donohue:

I am writing to request an investigation of the National Housing Group, a real estate management company hired by the Department of Housing and Urban Development to manage properties in New York City and 41 other states. National Housing Group properties in the Harlem, New York have been the scenes of two tragedies since Saturday, one of which left two people dead.

As you may know, two men were killed in a shootout in a Harlem gambling club early yesterday morning located in a brownstone at 134 West 123rd Street in Manhattan. This building is apparently owned by HUD and managed by National Housing Group. On Saturday, a woman was mauled by a pit bull at another National Housing Group property in Harlem located at 203 West 134th Street. The pit bull was guarding a drug-dealing operation and, according to residents, had attacked at least five other people.

According to the General Accounting Office, National Housing Group secured the bid to manage properties in New York City because its bid was significantly lower than the previous contract-holder. As you know, National Housing Group has been widely criticized since it was hired last year to manage HUD properties. Their limited experience and a spotty track record managing other housing developments now appear to be having tragic consequences in New York City.

I am extremely concerned that National Housing Group secured the New York HUD contract by cutting corners and cutting costs in ways for which residents and members of the community are now paying the ultimate price. I request a full investigation by your office, and also respectfully request an explanation of what HUD's oversight policies are for these kind of programs. I eagerly await your response and thank you for your attention to this matter.

Sincerely,



Charles E. Schumer
United States Senate